

CITY COUNCIL REPORT



Meeting Date: **February 17, 2015**
General Plan Element: ***Economic Development***
General Plan Goal: ***Sustain Scottsdale as a tourist destination***

ACTION

Baseball City

Adopt Resolution No. 10043 authorizing funding not to exceed \$75,000 from the city portion of bed tax allocated toward one time commitment capital, event, administration for the Baseball City event, and authorize the City Mayor to execute Agreement No. 2015-051-COS with the Legacy Agency Inc.

BACKGROUND

Major events are an important component of Scottsdale's overall image and its "product." The Tourism Development Commission has recognized the opportunity to develop events that increase national and international visibility for Scottsdale as a desirable tourist destination. As well as provide an opportunity to increase Scottsdale room nights.

On May 8, 2012, City Council approved Ordinance No. 4019 establishing city bed-tax funds in the amount of \$500 thousand for a one-time use for tourism capital projects, event development, and administration.

The Legacy Agency Inc. has proposed a one year agreement with the City of Scottsdale to host the Baseball City event to be held at the Civic Center Mall on March 7 and 8, 2015.

On January 20, 2015, the Tourism Development Commission unanimously recommended that City Council support the agreement between the city and Legacy Agency Inc.

ANALYSIS & ASSESSMENT

The second year Baseball City event is scheduled to be a two day event, held at the Civic Center Mall, which according to the producer is anticipated to attract 15,000 attendees. The 2014 event held at the Phoenix Convention Center attracted 3,000 event attendees.

The event goal is to create a symbolic kickoff to spring training, position Scottsdale as a focal point for Cactus League activities, and work towards creating a national event that celebrates baseball.

The Baseball City event will take advantage of the event venue and will create a smooth transition from the stadium to the event entrance. Interactive games will be available. All 15 Cactus League teams will participate.

The Baseball City event producer will spend \$150,000 in marketing and advertising both inside and outside the local region. The event's radio marketing campaign will focus spots in key markets of Los Angeles, Dallas, Chicago, and San Francisco.

In order to enhance the city's event sponsorship evaluation process, the city has retained a qualified marketing research consultant, Artigue Agency, to measure, analyze, and report the economic and fiscal impact as well as overall value and benefits associated with a proposed event sponsorship.

The Artigue Agency report:

- Baseball City is a quality family event that will most likely grow in size and popularity over the years-question is will the event remain in Scottsdale.
- Through ties with the San Francisco Giants - heightened event awareness could ultimately stimulate increased tourism.
- Any financial participation can be based on the opportunity for growth and sustainability of this event

Proposed Agreement Summary

The following are host and promotional benefits outlined in the proposed one-year agreement between The Legacy Agency Inc. and The City of Scottsdale for a \$75,000 sponsorship:

- Stage Baseball City ("the Event") in Scottsdale, Arizona (Scottsdale Civic Center Mall) for a minimum of 7 and one-half (7.5) hours on Saturday, March 7, 2015 and for a minimum of 7 and one-half (7.5) hours on March 8, 2015.
- The Legacy Agency, Inc. will brand one (1) interactive element within the Event's inventory of assets as the City of Scottsdale's and Scottsdale CVB's.
- The Legacy Agency, Inc. will ensure that the Event features the City of Scottsdale's and Scottsdale CVB's name and logo in all advertising, press releases, and promotional materials created for the Event, including but not limited to, website, social media platforms, programs, event posters, displays and event signage.

- The Legacy Agency, Inc. will ensure that the Event prominently identifies the City of Scottsdale and the Scottsdale CVB as the presenting sponsor of the Event in all print, radio, outdoor, digital and television advertising.
- Scottsdale Convention and Visitors Bureau will have the opportunity to distribute items and literature that promote Scottsdale as a tourist destination to all event participants and attendees.
- The Legacy Agency Inc. will work with Play Ball Experience and Science of Baseball Festival to stage a variety of activities during the Event.
- The Legacy Agency, Inc. will work closely with the Scottsdale CVB to create additional City promotional opportunities for the Event.
- The Legacy Agency Inc. will provide a \$75,000 direct dollar event marketing investment as well as \$75,000 in public relation value before or during the event and ensure that such investment is reflected in the required marketing and promotional plan. All marketing shall comply with paragraph 2.5 of this agreement in acknowledging City's support and sponsorship. In the event the direct dollar marketing investment is less than \$75,000 the sponsorship amount shall decrease to that level, provided that all other requirements of this Agreement are met.

Following the conclusion of the event, Legacy Agency Inc. will submit to the city a post event report that will provide:

1. An evaluation of the producer's performance under this agreement.
2. The benefits to the city and the public achieved, and likely to be achieved, because of the event.
3. And such other information as the post event report template to be provided by the city shall require. If requested, a presentation to City Council will be required.

In addition, the city has the option to conduct an event intercept survey during the event using questions selected by the city at the event at a reasonable cost to the event producer.

RESOURCE IMPACTS

Available Funding

The total maximum city investment for the agreement is \$75,000. Based on FY2014/15 bed tax projections, funds are available.

Staffing, Workload Impact

No additional staffing or other resources are anticipated as a result of the proposal.

OPTIONS & STAFF RECOMMENDATION

Adopt Resolution No. 10043 authorizing funding not to exceed \$75,000 from the city portion of bed tax allocated toward one time commitment capital, event, administration for the Baseball City event, and authorize the City Mayor to execute Agreement No. 2015-051-COS with the Legacy Agency Inc.

RESPONSIBLE DEPARTMENT(S)

Tourism and Events

STAFF CONTACTS (S)

Steve Geiogamah, Tourism Development Manager, Tourism and Events Department,
sgeiogamah@scottsdaleaz.gov

APPROVED BY



Paul T. Katsenes, Director
Tourism and Events Department
480-312-2890, Pkatsenes@scottsdaleaz.gov

2-10-15

Date



Fritz Behring, City Manager
480-312-2811, FBehring@ScottsdaleAz.gov

2-10-15

Date

ATTACHMENTS

1. Resolution No. 10043
2. Agreement No. 2015-051-COS
3. January 20, 2015 Tourism Development Commission Minutes
4. Artigue Agency Report- Baseball City
5. Event Development Program Guidelines

RESOLUTION NO. 10043

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, ARIZONA, AUTHORIZING FUNDING NOT TO EXCEED \$75,000 FROM BED TAX FUNDS ALLOCATED FOR ONE TIME USE FOR CAPITAL PROJECTS, EVENTS AND EVENT DEVELOPMENT OR ADMINISTRATION AND RESEARCH FOR THE BASEBALL CITY EVENT AND AUTHORIZING THE CITY MAYOR TO EXECUTE AGREEMENT NO. 2015-051-COS WITH LEGACY AGENCY, INC.

WHEREAS, City desires to provide funds for the Baseball City event; and

WHEREAS, City and the selected event producer wish to enter into an agreement for the event; and

WHEREAS, City Council has considered the City's expenditure authorized by the Agreement and the direct consideration the City will receive and finds that there is a clearly identified public purpose for the City's expenditure and the City will receive direct consideration substantially equal to its expenditure.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scottsdale, Arizona, as follows:

Section 1. The City Council authorizes an amount not to exceed \$75,000 from bed tax funds allocated for one time use for capital projects, events and event development or administration and research for the Baseball City event.

Section 2. The City Council authorizes and directs the Mayor to execute, on behalf of the City, Contract No. 2015-051-COS with Legacy Agency, Inc.

PASSED AND ADOPTED by the City Council of the City of Scottsdale, Arizona this ____ day of February, 2015.

CITY OF SCOTTSDALE, an Arizona
municipal corporation

ATTEST:

Carolyn Jagger, City Clerk

W.J. "Jim" Lane, Mayor

APPROVED AS TO FORM:



Bruce Washburn, City Attorney
By: William Hylen, Senior Assistant City Attorney

Contract No. 2015-051-COS

NEW EVENT FUNDING AGREEMENT

THIS NEW EVENT FUNDING AGREEMENT (the "Agreement") is made this ____ day of _____, 2015 by and between Legacy Agency, Inc. ("Producer") and the City of Scottsdale, an Arizona municipal corporation ("City").

RECITALS

A. City's City Council has approved the expenditure of a portion of certain funds collected (the "Bed Tax Funds") in conformity with Financial Policy 21A to be used to help promote certain events supporting tourism and the hospitality industry in Scottsdale, Arizona.

B. Producer is the producer of a certain tourist-oriented event with the working title of "Baseball City" (the "Event").

C. Producer has submitted to City a proposal describing the Event and requesting that City authorize use of a portion of the Bed Tax Funds for the Event to promote Scottsdale as a tourist destination.

D. At Producer's request, City has determined to provide funds (the "Event Funds") to Producer of up to the maximum amount of Seventy-Five Thousand Dollars (\$75,000) (the "Event Amount").

E. City's willingness to provide the Event Funds is conditioned upon Producer's executing and performing this Agreement and delivering to City after the Event a report (the "Post Event Report") accompanied by a separate invoice (the "Invoice").

NOW, THEREFORE, in consideration of the foregoing and good and valuable consideration received, the parties hereto agree as follows:

1. Funding Limitation. Payment of the Event Funds is subject to all of the following cumulative conditions and limitations:

1.1 The total amount of Event Funds City pays under this Agreement shall not exceed the Event Amount, minus reductions made under paragraph 3.1, setoffs and other amounts to which City may be entitled, which such setoffs and other amounts are communicated in writing and reasonably explained to Producer.

1.2 City's payment shall be made only from Bed Tax Funds, specifically the portion allocated to Event development. City is not obligated to provide funding from any other source.

1.3 Without detracting from limits contained elsewhere in this Agreement, Event Funds shall be disbursed only to the extent City has collected adequate Bed Tax Funds to disburse these amounts. City represents and warrants that it has the reasonable belief and expectation that there are adequate Bed Tax Funds to disburse the Event Funds.

2. Event Requirements. In addition to the Event Scope of Deliverables more specifically set forth in Exhibit A, attached hereto and herein incorporated by reference in its entirety, Producer shall cause the Event to comply with all of the following requirements:

2.1 The Event shall be held within the corporate limits of the City of Scottsdale.

2.2 The Event shall be open to the public.

2.3 The Event shall be held on the dates stated in the Proposal-March 7th and 8th, 2015, or as such dates mutually agreed upon by City and Producer. If the Event fails to occur on such dates, the City shall not be obligated to perform.

Notwithstanding the foregoing, if the Event fails to occur on the above dates solely due to weather, an act of God, or a condition beyond the reasonable control of Producer, then the Event (or any portion thereof) may be rescheduled to a subsequent date certain. All rights and privileges of the parties will continue until conclusion of the Event. Should the Parties agree that rescheduling the Event is not tenable, the may mutually decide to cancel this Agreement and sponsor (City) shall have no further obligation to provide additional funds beyond the value of sponsorship benefits provided to date.

2.4 Producer's representation that it reasonably believes that the Event will be of the same scale, quality, attendance, economic benefit to the public, and provide other public benefits, or better, as are described in the Proposal is a material term of this Agreement.

2.5 Producer shall publicly acknowledge the City support represented by this Agreement. Without limitation, all Event publicity, advertising, marketing, promotion, public relations and other activities before and during the Event shall acknowledge City's support, shall clearly indicate that the Event occurs in Scottsdale, shall clearly indicate the Event is sponsored by City, and shall utilize (as determined appropriate by City) a logo provided by City or Event

sponsorship logo provided by Scottsdale Convention and Visitors Bureau (which shall be provided promptly upon the execution of this Agreement). No other use of City's name is allowed in any form of advertising or public relations without prior City approval.

2.6 No later than fifteen (15) days prior to the Event, Producer shall meet with City and SCVB and shall present for City's input the booking engines, room blocks, third party economic impact reports or equivalent methods that Producer will use to track which hotels and other lodgings are used by attendees, staff, vendors and other persons who attend the Event.

2.7 No later than fifteen (15) days prior to the Event, Producer shall deliver to City a letter, email, or fax (the "Exhibit Space Invitation") offering City a minimum of eighty (80) square feet of reasonably prominent exhibit space at the Event to be used by City at no charge for the purpose of promoting Scottsdale.

2.8 The official Event website shall have a prominent link to City's website and to SCVB's website.

2.9 City will conduct an Event intercept survey, with questions to be provided by City, which cost (estimated at \$500-\$1,000, and not to exceed \$1,000) will be reimbursed by Producer. Producer shall cooperate, as necessary, with City in conducting or facilitating the Event intercept survey.

2.10 After the Event, Producer shall provide the Post Event Report to City as follows:

2.10.1 The Post Event Report shall be a written report formatted according to the template to be provided by City.

2.10.2 The Post Event Report shall include the following:

2.10.2.1 A narrative description of:

2.10.2.1.1 The Event.

2.10.2.1.2 Producer's performance under this Agreement.

2.10.2.1.3 The benefits to City and the public achieved and likely to be achieved because of the Event.

2.10.2.1.4 The Event's effects on City hotels.

2.10.2.1.5 The positive and negative effects on City services, facilities and neighborhoods.

2.10.2.2 A statement of the total attendance for the Event.

2.10.2.3 Such other reasonable information as the Post Event Report template to be provided by City shall require.

2.10.3 Producer shall deliver the Post Event Report to City no later than sixty (60) days after the Event.

2.10.4 Producer shall deliver the Post Event Report and the Invoice simultaneously in the same package and delivery, but each shall be enclosed in a separate sealed envelope within the package.

2.11 If the Producer seeks to obtain a Presenting Sponsor for the Event, the Producer shall not allow any of the following to be a Presenting Sponsor:

- a. Sexually oriented businesses, bars, massage facilities, gun shops, or manufacturers or sellers of firearms or weapons.
- b. A religious or political organization.
- c. A commercial enterprise whose business is substantially derived from the sale or manufacture of alcoholic or tobacco products (although it is specifically agreed that Producer may procure a sponsorship below the Presenting Sponsor level in the alcoholic beverage category).

3. Event Fund Payment. Producer shall request Event Funds and City shall pay Event Funds as follows:

3.1 City's payment of the Event Funds is conditioned upon Producer executing and performing this Agreement and making all required payments to the City for rental of City facilities or services provided by the City in connection with the Event.

3.2 City reserves the right to reduce the Event Funds below \$75,000 to the extent Producer's pre-event or during the event marketing values do not support such direct sponsorship amount. In no event shall the Event funds exceed the amount of the direct dollar event marketing investment in the Event. See Exhibit A.

3.3 City shall make the payment within sixty (60) days after receiving all of the following:

3.3.1 The Post Event Report.

3.3.2 The Invoice.

3.3.3 All supporting and other materials required by this Agreement. Payment of Event Amount shall be conditioned on Producer providing such evidence as City reasonably requests.

4. Compliance With Law. This Agreement does not waive and is not a substitute for Producer's obligation to comply with all state, local and federal laws, policies and regulations applicable to the Event. This Agreement is not a permit or regulatory approval to hold the Event. This Agreement is not a promise to make City venues or other resources available for the Event.

5. Indemnification. To the fullest extent permitted by law, Producer, its successors, assigns and guarantors, shall defend, indemnify and hold harmless City, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by Producer relating to the Event, and any work or services in the performance of this Agreement by Producer, including but not limited to, any subcontractors, or representatives or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Producer's employees. Producer's indemnification obligations shall extend beyond and will not be affected by any termination of this Agreement.

6. Insurance. Producer shall purchase and maintain during the Event and during all setup and takedown of the Event insurance with coverages and limits as follows:

6.1 The following coverages are required:

6.1.1 Commercial/Business Automobile Liability insurance with a limit of not less than \$1,000,000, each accident with respect to the Producer owned, hired, and non-owned vehicles.

6.1.2 Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Producer's employees; and Employers' Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit. If any work is performed by third parties, Producer will cause the third parties to provide Workers Compensation and Employers' Liability to at least the same extent as required of Producer.

6.1.3 "Occurrence" form Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying.

6.1.4 If valet parking is offered, Garagekeepers Legal Liability with limits of not less than \$75,000 per vehicle.

6.1.5 If alcohol is sold at the Event, liquor liability insurance with a limit of not less than \$5,000,000 for each occurrence and \$5,000,000 aggregate.

6.2 For all insurance policies except Workers Compensation, City shall be named as additional insured.

6.3 City's Risk Management Division may increase or change required insurance coverage and limits from time to time depending on the size, scope and nature of the activities of the Event. No reduction in coverage or policy limits is effective without the written approval of City's Risk Manager or designee.

6.4 Producer shall purchase and maintain all required insurance from insurance companies licensed to do business in the State of Arizona, or from qualified non-admitted insurers who are authorized to do business in the State of Arizona.

6.5 Producer shall provide City, prior to the Event, certificates of insurance as evidence that the required insurance coverages and limits are in full force and effect.

7. Term/Termination. This Agreement shall be in effect from the date executed by City's Mayor and will terminate upon Producer providing to City a satisfactory Post Event Report and City paying to Producer the Event Funds. However, City may, without further obligation, terminate the Agreement earlier for convenience or cause, upon giving Producer sixty (60) days written notice. If the Event is canceled, this Agreement and all obligations of City and Producer hereunder shall also cancel at such date.

8. Miscellaneous.

8.1 Assignment. Neither party's obligations and rights hereunder may be assigned or delegated, in whole or in part, without the other party's prior written consent.

8.2 Cancellation. This Agreement is subject to cancellation pursuant to the provisions of A.R.S. § 38-511.

8.3 Modifications. Any amendment or modification from the terms of the Agreement shall be in writing and shall be effective only upon approval of all parties.

8.4 Severability. If any term or provision of this Agreement shall be found to be illegal or unenforceable, the remainder of this Agreement shall remain in full force and effect, and such term or provision shall be deemed to be deleted.

8.5 Attorney's Fees. If any party brings any action for any relief, declaratory or otherwise, arising out of this Agreement, the prevailing party shall be entitled to receive from the non-prevailing party reasonable attorney's fees, costs, and expenses, determined by a court sitting without a jury, which shall be deemed to have accrued on the commencement of such action.

8.6 Authority. The person executing this Agreement on behalf of Producer warrants and represents to have full power and authority on behalf of Producer to enter into and perform this Agreement.

8.7 Notices. Notices hereunder shall be given in writing by hand delivery or by United States mail, return receipt requested, postage prepaid addressed to:

If to City:

Steve Geiogamah
Tourism Development Manager
Tourism & Events Department
City of Scottsdale
7506 E. Indian School Road
Scottsdale, AZ 85251

If to Producer:

Michael Principe
The Legacy Agency
Chief Executive Officer
1500 Broadway, Suite 201
New York, NY 10036

By notice, City or Producer may designate other addresses for receiving mailed notice hereunder. Service of any notice by mail shall be deemed to be complete three (3) days (excluding Saturday, Sunday and legal holidays) after the notice is deposited in the United States mail.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names as of the date first stated above.

City of Scottsdale, an Arizona
municipal corporation


ATTEST:

By: _____
W.J. "Jim" Lane
Mayor

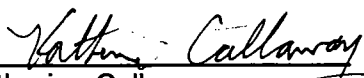
By: _____
Carolyn Jagger
City Clerk

PRODUCER: By: _____

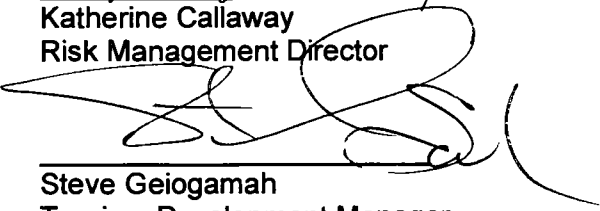
APPROVED AS TO FORM:



Bruce Washburn, City Attorney
By: William K. Hylen
Senior Assistant City Attorney



Katherine Callaway
Risk Management Director



Steve Geiogamah
Tourism Development Manager
13061621v2

Contract No. 2015-051-COS

Exhibit A

The following are host and promotional benefits outlined in the proposed one-year agreement between The Legacy Agency, Inc. and the City of Scottsdale for a \$75,000 sponsorship:

- Stage Baseball City ("the Event") in Scottsdale, Arizona (Scottsdale Civic Center Mall) for a minimum of 7 and one-half (7.5) hours on Saturday, March 7, 2015 and for a minimum of 7 and one-half (7.5) hours on March 8, 2015.
- The Legacy Agency, Inc. will brand one (1) interactive element within the Event's inventory of assets as the City of Scottsdale's and Scottsdale CVB's.
- The Legacy Agency, Inc. will ensure that the Event features the City of Scottsdale's and Scottsdale CVB's name and logo in all advertising, press releases, and promotional materials created for the Event, including but not limited to, website, social media platforms, programs, event posters, displays and event signage.
- The Legacy Agency, Inc. will ensure that the Event prominently identifies the City of Scottsdale and the Scottsdale CVB as the presenting sponsor of the Event in all print, radio, outdoor, digital and television advertising.
- Scottsdale Convention and Visitors Bureau will have the opportunity to distribute items and literature that promote Scottsdale as a tourist destination to all event participants and attendees.
- The Legacy Agency Inc. will work with Play Ball Experience and Science of Baseball Festival to stage a variety of activities during the Event.
- The Legacy Agency, Inc. will work closely with the Scottsdale CVB to create additional City promotional opportunities for the Event.
- The Legacy Agency Inc. will provide a \$75,000 direct dollar event marketing investment as well as \$75,000 in public relation value before or during the event and ensure that such investment is reflected in the required marketing and promotional plan. All marketing shall comply with paragraph 2.5 of this agreement in acknowledging City's support and sponsorship. In the event the direct dollar marketing investment is less than \$75,000 the sponsorship amount shall decrease to that level, provided that all other requirements of this Agreement are met.



**CITY OF SCOTTSDALE
TOURISM DEVELOPMENT COMMISSION
REGULAR MEETING**

Tuesday, January 20, 2015

**Kiva Forum – City Hall
3939 N. Drinkwater Boulevard
Scottsdale, Arizona 85251
DRAFT MINUTES**

- PRESENT:** David Scholefield, Chairperson
Tom Enders, Vice-Chairperson
Ace Bailey
Carl Grupp
Camille Hill
Ren Hirose
Robert McCreary
- STAFF:** Steve Geiogamah
Holli Shannon
Paul Katsenes
Paul Basha
Mike Phillips
Rachel Smetana
- GUESTS:** Virginia Korte, Council Member
Rachel Sacco, SCVB
Rachel Pearson, SCVB
Caroline Stockel, SCVB
Michael Orefice, Legacy Agency
Mike McCarthy, Legacy Agency
Kate Birchler, Scottsdale Fashion Square
Emily Ginzl, Scottsdale Fashion Square
Christine Renu, Scottsdale Fashion Square

1. Call to Order/Roll Call

Noting the presence of a quorum, Chairperson Scholefield called the regular meeting of the Scottsdale Tourism Development Commission to order at 8:04 a.m. He also took a moment to recognize the contributions of key individuals over the course of 2014.

2. Approval of Minutes

- December 16, 2014 Special Meeting

COMMISSIONER BAILEY MOVED TO APPROVE THE MINUTES OF THE DECEMBER 16, 2014 SPECIAL MEETING AS PRESENTED. COMMISSIONER HIROSE SECONDED. THE MOTION CARRIED BY A VOTE OF SEVEN (7) TO ZERO (0).

- December 16, 2014 Work Session

COMMISSIONER BAILEY MOVED TO APPROVE THE MINUTES OF THE DECEMBER 16, 2014 WORK SESSION AS PRESENTED. COMMISSIONER HIROSE SECONDED. THE MOTION CARRIED BY A VOTE OF SEVEN (7) TO ZERO (0).

3. Manager Reports

a. Staff Bed-Tax Collection Report

Mr. Geiogamah reported that bed tax collections year to date were up 10%. Resort property collections were up 5.8%, full service hotels were up 6.3%, and limited service hotels continue to trend well, up 15% for the year.

b. Bed Tax Proforma

Mr. Geiogamah noted recent changes to the proforma. The Desert Discovery Center debt service has been highlighted based on a TDC recommendation from 2012. The PRCA Rodeo is now indicated under events, and will be presented to City Council on February 3. The Civic Center Mall project has been removed from the proforma following last week's decision by City Council.

Chairperson Scholefield explained that TDC passed an amended motion in March of 2012 for continued operations of the DDC, plus a \$600,000 placeholder subject to a successful public bond measure and private fundraising. The public fundraising effort has been ongoing, but clarification is needed on what actions the TDC might have to take considering that there has been no bond measure. Mr. Geiogamah undertook to look into the matter and report back.

c. Smith Travel Report

Mr. Geiogamah said occupancy continues to be up 2.6%. The average daily rate is up 7.2%, while RevPar is up 10% year to date. He requested Commissioner feedback on possible explanations for the steep decline in occupancy attributed to business contracts over the past year.

d. Program Updates

Mr. Geiogamah said the Event Working Group recommended \$15,000 for the Scottsdale Culinary Festival, which transferred from the Event Support Funding Program to the

Community Event Funding Program. The Hashknife Pony Express received a recommendation for \$8,000. The Celebration of Fine Art was approved for \$15,000 funding with the understanding that they will place greater emphasis on out of region marketing. Commissioner Hirose explained that the working group considers a variety of factors, including attendance, outreach, and love of place, and distributes funding according to an established set of guidelines.

Mr. Geiogamah presented the TDC meeting calendar for 2015. He said personal interest disclosure forms and ethics training forms have been distributed to Commissioners for their signature.

Paul Basha, Transportation Director, reported that total ridership for the first 24 days of the Day Tripper trolley this season has been quite high. The average daily ridership is much higher than the previous four years, and it has been very consistent. Mr. Geiogamah noted that Behavior Research will survey trolley riders from January to March. Results will be presented to the TDC at the end of the program.

4. TDC Work Study Meeting Follow-Up

Mr. Geiogamah presented a plan of action stemming from the TDC Work Study Session last month, and requested feedback from the Commission. The document will be used to plan activities going forward. Chairperson Scholefield suggested adding an ongoing review of the event guidelines to ensure that they remain in line with marketing strategies. Mr. Geiogamah noted that such a review is incorporated into Objective Three. Commissioner Hirose suggested arranging separate work plans for short-term, medium-term, and long-term objectives, since they require different approaches.

5. Tourism Development Commission Annual Report

Mr. Geiogamah presented the TDC Annual Report, which outlines actions and discussions by the Commission in 2014, and requested TDC feedback. The approved Annual Report will be presented to City Council next month. Chairperson Scholefield proposed incorporating portions of the action plan from the Work Session. Commissioner Hirose suggested adding summaries for some of the TDC dialogues that did not result in action, such as WestWorld public art.

COMMISSIONER HIROSE MOVED TO APPROVE THE ANNUAL REPORT AS AMENDED. COMMISSIONER MCCREARY SECONDED. THE MOTION CARRIED BY A VOTE OF SEVEN (7) TO ZERO (0).

6. Baseball City Event – New Event Funding Proposal

Mr. Geiogamah said the Baseball City event will be held on March 7 and 8 at the Civic Center Mall. Producers are requesting \$75,000 from the one-time allocation fund, which has \$104,000 remaining for the current fiscal year.

Mike Phillips explained that Baseball City originated as the Spring Training Festival in 2012, celebrating the history and culture of spring baseball in the Valley. The Scottsdale Charros produced the event for the first two years. The goal was to create a symbolic kickoff to spring training, position Scottsdale as a focal point for Cactus League activities, and work towards creating a national event that celebrated baseball. The first three years accomplished those goals, but a partnership was sought to elevate the festival to the next level. He said the Legacy Agency is a good fit because they have deep connections to baseball and the media, and they share the same vision for the festival.

Mike McCarthy said The Legacy Agency has a strong foothold on the world of baseball, representing nearly one hundred current major league players and several hundred prospects. The agency handles contractual negotiations with teams and marketing opportunities for high profile athletes. Legacy has experience in staging big events including a recent sold out game at Chicago's Soldier Field featuring the New Zealand National Rugby Team. Baseball City would be held on two days from 11 a.m. to 6:30 p.m., and is expected to draw 10,000 to 15,000 people. The Civic Center Mall is an ideal site because of its proximity to Scottsdale Stadium and Old Town. The event was held in downtown Phoenix last year. While that site had many positive qualities, it could not generate any foot traffic on the weekend.

Mr. McCarthy said the Legacy Agency has strong connections with sponsors. The event will feature a range of players from young talents to Hall of Famers. San Francisco Giants players will attend directly after their two home games at Scottsdale Stadium that weekend. The 2014 media plan was highlighted by a presence on the Major League Baseball network. Both the MLB Network and Fox Sports 1 are interested in covering the event this year. Marketing across Arizona was very aggressive. The festival location is perfect for a studio show. Because of the number of players available, the festival also attracts substantial outside media attention.

Mr. McCarthy stated that the site plan for the festival will take advantage of the unique features of Civic Center Mall, and will create a smooth transition from the stadium to the event entrance. Interactive games will be available. All 15 Cactus League teams will participate. The producers will spend \$150,000 on tourism awareness both inside and outside the Scottsdale market. The ESPN Radio campaign will focus spots in the key markets of Los Angeles, Dallas, Chicago, and San Francisco, areas that are expected to generate many tourists.

Vice Chairperson Enders inquired about sponsorship and partner support. Mr. McCarthy said there has been heavy interest from high-end sponsors and the situation looks stronger this year than last. Sponsors are excited about the new location and the free admission. The Scottsdale Charros have been very helpful partners, as have the Giants and the SCVB.

Commissioner Hill inquired about the size of the footprint last year. Mr. McCarthy said the festival occupied the lower level of the Phoenix Convention Center at just over 60,000 square feet. It had about 30 tents and attracted about 3,000 attendees.

Chairperson Scholefield observed that the festival's talent budget might not count towards the marketing of the destination. Mr. McCarthy said he has been working closely with staff to clarify that matter.

Commissioner Hirose noted that W Scottsdale is listed as a host hotel, but he has no booking for that group. He expressed approval of the idea and the site, and requested a list of sponsors and details on the media plan once they become available. Commissioner McCreary inquired about plans for a weather backup. Mr. McCarthy said there are plans for tenting and an indoor space is available if necessary.

COMMISSIONER ENDERS MOVED TO APPROVE UP TO \$75,000 IN FUNDING FROM THE ONE-TIME COMMITMENT FUNDS, PROVIDED THE EVENT MEETS THE REQUIREMENTS OF THE PROGRAM. COMMISSIONER HILL SECONDED. THE MOTION CARRIED BY A VOTE OF SEVEN (7) TO ZERO (0).

7. Tourism Related Capital Projects Evaluation Process

Mr. Geiogamah noted that the TDC reviewed the capital projects evaluation matrix during the Work Study Session in December. The matrix will serve as a tool for evaluating capital projects and prioritizing them for City Council. Chairperson Scholefield asked whether the tool has been reviewed by the Tourism Advisory Task Force. Mr. Geiogamah responded the strategic plan provides project implementation priority, but the TATF may be interested in using this one moving forward. Chairperson Scholefield requested input from the TATF. Commissioner Hirose noted the similarity of some the evaluation factors and suggested that it be streamlined. Mr. Geiogamah said the Event Working Group will be tasked with providing suggestions.

8. ESPN FanFest Event Update

Kate Birchler, Assistant Vice President of Tourism and Marketing for Macerich, provided an update on FanFest Scottsdale. The event will take place on the northern part of Scottsdale Fashion Square just north of the Macy's parking garage between Scottsdale Road and Goldwater Boulevard. ESPN will face Camelback Mountain. Site activation will run in support with ESPN's broadcasts, and activities are designed to get participants excited about the game. Information is available at fanfestscottsdale.com.

Ms. Birchler said FanFest will be an experience unique to Scottsdale. No admission will be charged. A culinary pavilion will have daily chef demonstrations, competitions and themes. A wide variety of interactive games and activities will be available. There will be a runway fashion show every day at 7:30 p.m. The SCVB will have a welcome center for visitors. A food court will rotate trucks for breakfast, lunch and dinner, and a fan pub will represent both teams. ESPN will broadcast live from the FanFest. Players will make appearances. The official kickoff rally is on January 26 at 10 a.m. The Players' Wives Fashion Show is a ticketed fundraising event for charity on January 30 at 11:00 a.m. Coca Cola will host a dance party on Friday, kicking off a full weekend of activities and events.

Emily Ginzi, Senior Marketing Manager for Scottsdale Fashion Square, reviewed the marketing and promotion campaign for FanFest. About \$120,000 worth of television and radio spots, billboards, and online banners are currently running in the market. Several VIP experiences will be given away to radio listeners. *Where* magazine is dedicating a cover wrap to FanFest, and providing daily blog itinerary information for visitors. Hotel brochures will be distributed this week around the Valley. A water bill insert was distributed in January. Special approval for directional signage has been secured. Scottsdale Fashion Square and ten other Macerich malls in Arizona provided free signage in support of FanFest throughout the holiday season. TV spots are running on Cox Cable and other networks. Email blasts have been sent over the past two months. ABC 15 and Fox 10 will start broadcasting live on Monday. KTAR plans to broadcast from the FanFest from 2 p.m. to 6 p.m. Monday through Friday. Ms. Bircher stated that FanFest is working with the City to ensure that the event meets all of its contractual obligations.

Commissioner Hill inquired about trolley service. Ms. Ginzi said the trolley stop at Fashion Square will move slightly for the duration of the event. Directional signage will point people to FanFest from there. About 2,000 trolley riders will receive a lanyard with various passes attached, including one for FanFest. Ms. Birchler assured Commissioner Hill that enough room will be available at the trolley stop to allow several vehicles to move freely in and out at the same time.

9. Identification of Future Agenda Items

Mr. Geiogamah said future agenda items include the capital projects evaluation sheet review, a quarterly SCVB update, a joint meeting with the McDowell Sonoran Preserve Commission, and a Tourism Advisory Task Force update. Chairperson Scholefield requested continued Day Tripper Updates throughout the season. Commissioner Hirose requested a post-event report on FanFest.

10. Public Comment

There were no public comments.

11. Adjournment

The meeting adjourned at 9:25 a.m.

Recorded and Transcribed by AVTronics Inc., d/b/a AVTranz Transcription and Reporting Services



Review of the Economic Impact of 2015 Baseball City

The following report is an analysis of the potential economic impact of hosting the **2015 Baseball City** special event in Scottsdale. In keeping with our firm's many other predictive studies, necessary assumptions have been made and any numbers shared within are intentionally conservative projections.

Situational Analysis

The inaugural Baseball City event was produced by The Legacy Agency and staged in downtown Phoenix at the Civic Plaza in March 2014 and it was billed as a combination baseball trade show and an interactive, technology-based family fan event. First year attendance is unknown (or unstated).

The staging of this year's event is planned for Scottsdale with hopes to tie directly to the San Francisco Giants Spring Training, both prior and during their Cactus League games. It is not clear from the funding request if that partnership agreement is yet in place.

Sponsorships of the 2015 Baseball City are being offered at the following levels:

- Title Sponsor - \$150,000
- Presenting Sponsor - \$100,000 (reduced to \$75,000 for Scottsdale)
- Field Sponsor - \$50,000
- Clubhouse Sponsor - \$25,000
- Booth vendors at \$2,000 and \$1,000

Report Objective

The purpose of this report is to provide an examination of the anticipated economic and media impact from Baseball City on the City of Scottsdale, and how it might generate *incremental* tax receipts from various room and recreational expenditures made throughout the city.



Baseball City Economic Impact

Calculating economic impact of an event such Baseball City is, realistically, no more than a prediction. Because this event is relatively new, there isn't any reliable data to make assessments from, so it is a bit of guesswork.

The Legacy Agency has indicated that the value of the total media exposure surrounding last year's event was \$400,000. That figure is a combination of paid and largely earned media (general publicity and promotion). This year they plan to purchase approximately \$155,000 of advertising in newspapers in Chicago, Dallas, Cincinnati, Los Angeles, San Francisco and Seattle. They will also advertise on the MLB Network and MLB Radio.

Beyond the value of that media/marketing is what, if any, visitation to Scottsdale (from non-Maricopa County residents) will be spurred by this special event.

Because baseball fans are visiting the valley at this time of year for Spring Training, most stay close to their team(s) of interest. Therefore, Scottsdale is not likely to generate significant additional room nights because of interest in attending Baseball City even if they choose to attend..

Last year, organizers suggested that hotel/room night revenue was no more than \$17,500 and they are predicting just \$35,000 for 2015 so the event had little impact on incremental room nights. That said, food and beverage expenditures made while visiting Scottsdale for the day are a distinct possibility.

Baseball City Media Impact

This emerging special event isn't one that will likely attract national media attention (other than lots of local TV coverage), particularly as most of the regional and national press corps is focused on the Cactus League games themselves.

Questions and Considerations

1. What are event organizers predicting as far as attendance at this year's Baseball City event?
2. How many exhibitors are expected this year and will any of these pre-market their participation?



3. While an advertising schedule has been provided, there is not much detail about their public relations effort and this information is necessary to better understand how the City of Scottsdale will be promoted overall.
4. What would Scottsdale's \$75,000 contribution be earmarked for? Has an event budget been created and when will that be provided to the TDC?
5. Who else will be involved (has committed) to become a partner/corporate sponsor?
6. Do the event organizers plan to return to Scottsdale past their 2015 event commitment?
7. Finally, will the TDC receive written summary reports, providing updates on the progress and planning of the 2nd Annual Baseball City?

Report Summary

This has been a difficult proposal to assess as there are few details about last year's attendance and how this event will drive tourism (rooms and F&B expenditures) in 2015. It is likely and reasonable that the event organizers don't know themselves.

Baseball City is a quality family event that will most likely grow in size and popularity over the years. The unanswered question is will it remain in Scottsdale – possibly with ties to the San Francisco Giants - and through heightened awareness, ultimately stimulate increased tourism.

Rather than attempting to measure actual ROI in terms of visitor spending and incremental tax receipts from this event, we suggest that any financial participation be made based on the opportunity for growth and sustainability of this event. Of course this assumes that The Legacy Agency plans to return to Scottsdale year after year.

***Respectfully Submitted,
The Artigue Agency***



Approved October 21, 2014

Event Development Funding Program

Major events are an important component of Scottsdale's overall image and its "product". Events are also used as tools for marketing programs that are intended to increase national and international visibility for Scottsdale as a desirable tourist destination to our target upscale hotel and resort visitors.

The Tourism Development Commission (TDC) recommends City bed-tax support for a variety of beneficial events based on the following overall objectives:

- **The events market and promote Scottsdale's attractiveness as a destination to our target upscale leisure and meeting visitors AND/OR**
- **The events generate room nights in Scottsdale hotels**

The TDC reviews events that have the potential to attract visitors to Scottsdale. With that objective in mind, the TDC has adopted funding guidelines for use when evaluating event funding proposals.

City bed-tax funds must be used for marketing both inside and outside of Maricopa County, to increase the likelihood that event attendees will stay in a Scottsdale hotel.

Additional value is applied for shoulder and off-season events, as well as events that encourage an animated Downtown.

The minimum funding request available is \$30,000 and the maximum funding request available is \$75,000. Funding in excess of \$75,000 will be considered for events based on event development funding criteria and on a case by case basis.

In order to be considered for event funding, a comprehensive sponsorship proposal addressing why this sponsorship would meet the City of Scottsdale tourism program objectives and how the event would ensure the City's sponsorship return on investment is required.

What to include in your Proposal

- Identify the name, date, location of your event, and host hotel if applicable along with the proposed sponsorship request.
- Describe event, participants, attendees and how you will provide qualitative and quantitative information regarding event attendees and participants.
- Include all levels of sponsorships in your proposal including the level you are requesting for the City of Scottsdale.

- Describe how the event will contribute to the Scottsdale CVB branding efforts as well as provide exposure nationally, internationally and/or outside Maricopa County for Scottsdale's attractiveness as a destination to our target upscale resort visitor.
- Describe how the event will stimulate the fundamental decision to travel and visit Scottsdale as generate room nights as well as enhance the length of stay.
- Outline how evidence of room nights in Scottsdale hotels as a result of the event will be provided.
- Events eligible for consideration should fit one or more of these drivers in order to be considered: **Art and Culture, Culinary, Golf, Sports and Recreation, and Western.**
- A detailed, itemized list of what sponsorship benefits the City of Scottsdale will be receiving as part of the sponsorship package. Please include impression values, quantity, distribution methods.
- Approved funds are based on a dollar-for-dollar match. For example, if an event is approved to receive \$30,000, the total cost of pre-event marketing expenditures required is \$60,000. Of which pre-event public relations value can be considered up to 50%.
- Provide economic study or economic impact results of the event and the estimated impact on Scottsdale.
- Events would have the opportunity to participate in this program for a maximum of three years. After three years of funding support, events would have the opportunity to participate in other city event funding programs.

The following process has been developed which provides necessary information for the City of Scottsdale, TDC to evaluate funding proposal requests and to determine appropriate funding for qualified events. The sponsorship review process can take up to one to two months to complete.

Step 1 – Submit a proposal identifying the necessary proposal requirements

Step 2 – Evaluation of a request by City staff

Step 3 – Evaluation of a request by TDC (TDC meets each month every third Tuesday)

Step 4 – Recommendation to City Council for approval (Following TDC recommendation allow four weeks for council presentation).

Step 5 – Formal action by City Council

City's payment of the event sponsorship funds is conditioned upon available bed tax funds as well as the event's execution and performance.